

**ESG EMIRATES STALLIONS GROUP
PJSC AND ITS SUBSIDIARIES**

**Review report and interim
financial information
for the three-month period ended
31 March 2025**

ESG EMIRATES STALLIONS GROUP PJSC

Review report and interim condensed consolidated financial statements For the three-month period ended 31 March 2025

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ESG EMIRATES STALLIONS GROUP PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ESG Emirates Stallions Group PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as of 31 March 2025 and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial information in accordance with International Accounting Standard 34, “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

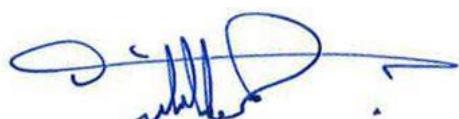
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with IAS 34.

Other matter

The Group’s consolidated financial statements for the year ended 31 December 2024 and interim financial information for the three-month period ended 31 March 2024 were audited and reviewed respectively by another auditor who expressed an unmodified opinion and unmodified conclusion on those statements and that information on 27 January 2025 and 29 April 2024, respectively.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration Number 717
29 April 2025
Abu Dhabi
United Arab Emirates

**Interim condensed consolidated statement of financial position
as at 31 March 2025**

	Notes	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
ASSETS			
Non-current assets			
Property and equipment	3	379,802	359,468
Investment properties	4	167,073	168,956
Intangible assets and goodwill	5	93,905	96,146
Right-of-use assets	6	160,294	173,117
Investments in associates and joint ventures	7	1,214,943	1,204,224
Financial assets at fair value through other comprehensive income	8.1	374	1,395
Deferred tax assets	18	2,158	4,480
Trade and other receivables	11	30,075	30,075
Due from related parties	10	950	950
Total non-current assets		2,049,574	2,038,811
Current assets			
Inventories	9	88,954	101,394
Development work in progress		280,137	252,909
Biological assets - plants		292	292
Financial assets at fair value through profit or loss	8.2	739	4,780
Due from related parties	10	158,571	187,396
Trade and other receivables	11	640,921	629,377
Cash and bank balances	12	459,589	468,318
Total current assets		1,629,203	1,644,466
Total assets		3,678,777	3,683,277
EQUITY AND LIABILITIES			
Equity			
Share capital		250,000	250,000
Statutory reserve		113,362	113,362
Merger, acquisition and other reserves		789,117	789,117
Currency translation reserve		88	(6)
Cumulative changes in fair value reserve		(1,341)	(1,439)
Fair value of cashflow hedges		(6,618)	(4,947)
Retained earnings		1,085,831	1,037,463
Equity attributable to the shareholders of the Company		2,230,439	2,183,550
Non-controlling interest		314,398	319,205
Total equity		2,544,837	2,502,755

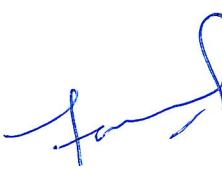
**Interim condensed consolidated statement of financial position
as at 31 March 2025 (continued)**

	Notes	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
EQUITY AND LIABILITIES continued			
Liabilities			
Non-current liabilities			
Employees' end of service benefits		68,970	65,640
Deferred tax liabilities	18	2,599	2,798
Lease liabilities		136,436	154,891
Trade and other payables	14	2,717	2,792
Bank borrowings	13	17,500	21,875
Due to related parties	10	56,985	56,718
Total non-current liabilities		285,207	304,714
Current liabilities			
Due to related parties	10	61,215	110,669
Lease liabilities		50,184	40,891
Bank borrowings	13	22,592	28,266
Income tax payable	18	26,263	21,736
Trade and other payables	14	688,479	674,246
Total current liabilities		848,733	875,808
Total liabilities		1,133,940	1,180,522
Total equity and liabilities		3,678,777	3,683,277

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in these interim condensed consolidated financial statements.


Matar Suhail Ali Al Yabhouni
Aldhaheri
Chairman


Kayed Ali D. Khorma
Chief Executive Officer


Fawad Abdul Hameed
Chief Financial Officer

**Interim condensed consolidated statement of profit or loss
for the three month period ended 31 March 2025**

		31 March 2025	31 March 2024
	Notes	AED'000 (unaudited)	AED'000 (unaudited)
Revenue	15	332,680	303,305
Direct costs	16	(233,585)	(213,494)
Gross profit		99,095	89,811
General and administrative expenses		(23,178)	(25,443)
Selling and distribution expenses		(30,156)	(32,478)
Share of profit from investment in associates and joint ventures	7	12,390	11,369
Loss from change in fair value of financial assets fair value through profit or loss		(80)	(6,761)
Interest and other income, net		6,139	7,072
Fair value gain on previously held equity interest		-	29,917
Finance costs		(4,521)	(2,377)
Profit before tax for the period		59,689	71,110
Corporate income tax	18	(6,651)	(2,543)
Profit for the period		53,038	68,567
Profit attributable to:			
Equity holders of the parent company:		48,485	65,085
Non-controlling interest:		4,553	3,482
Profit for the period		53,038	68,567
Basic earnings per share (AED)	19	0.19	0.26

**Interim condensed consolidated statement of comprehensive income
for the three month period ended 31 March 2025**

		31 March 2025	31 March 2024
	Note	AED'000 (unaudited)	AED'000 (unaudited)
Profit for the period		53,038	68,567
Other comprehensive income / (loss)			
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss</i>			
Foreign exchange difference on translation of foreign operations		94	(26)
Share of fair value loss on cash flow hedges of an associate	7	(1,671)	1,134
<i>Items that will not be reclassified subsequently to interim condensed consolidated statement of profit or loss (net of tax):</i>			
Change in fair value of financial assets carried at fair value through other comprehensive income		(19)	(139)
Total other comprehensive (loss) / income for the period		(1,596)	969
Total comprehensive income for the period		51,442	69,536
Attributable to:			
Equity holders of the parent		46,889	66,054
No-controlling interests		4,553	3,482
		51,442	69,536

**Interim condensed consolidated statement of changes in equity
for the three month period ended 31 March 2025**

	Attributable to equity holders of the Parent									
	Share capital AED'000	Statutory reserve AED'000	Merger, acquisiton and other reserves AED'000	Currency translation reserve AED'000	Cumulative changes in fair value reserve AED'000	Fair value of cash flow hedges AED'000	Retained earnings AED'000	Equity attributable to the equity holders of the parent AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2024 (audited)	250,000	90,846	834,657	(251)	26,112	(3,471)	805,095	2,002,988	284,952	2,287,940
Profit for the period	-	-	-	-	-	-	65,085	65,085	3,482	68,567
Other comprehensive income / (loss) for the period	-	-	-	(26)	(139)	1,134	-	969	-	969
 Total comprehensive income for the period	 -	 -	 -	 (26)	 (139)	 1,134	 65,085	 66,054	 3,482	 69,536
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	18,486	18,486
Acquisition of a subsidiary (i)	-	-	-	-	-	-	-	-	17,594	17,594
Acquisition of non-controlling interest (ii)	-	-	(20,047)	-	-	-	-	(20,047)	(17,572)	(37,619)
 Balance at 31 March 2024 (unaudited)	 250,000	 90,846	 814,610	 (277)	 25,973	 (2,337)	 870,180	 2,048,995	 306,942	 2,355,937

(i) Relates to acquisition of Deco Vision Company WLL

(ii) Relates to additional shares purchased for Vision Furniture & Decoration Factory LLC

**Interim condensed consolidated statement of changes in equity
for the three month period ended 31 March 2025 (continued)**

	Attributable to equity holders of the Parent									
	Share capital AED'000	Satutory reserve AED'000	Merger, acquisition and other reserves AED'000	Currency translation reserve AED'000	Cumulative changes in fair value reserve AED'000	Fair value of cash flow hedges AED'000	Retained earnings AED'000	Equity attributable to the equity holders of the parent AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2025 (audited)	250,000	113,362	789,117	(6)	(1,439)	(4,947)	1,037,463	2,183,550	319,205	2,502,755
Profit for the period	-	-	-	-	-	-	48,485	48,485	4,553	53,038
Other comprehensive income / (loss) for the period	-	-	-	94	(19)	(1,671)	-	(1,596)	-	(1,596)
	—	—	—	—	—	—	—	—	—	—
Total comprehensive income for the period	-	-	-	94	(19)	(1,671)	48,485	46,889	4,553	51,442
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	229	229
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(9,589)	(9,589)
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	117	-	(117)	-	-	-
	—	—	—	—	—	—	—	—	—	—
Balance at 31 March 2025 (unaudited)	250,000	113,362	789,117	88	(1,341)	(6,618)	1,085,831	2,230,439	314,398	2,544,837
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The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of cash flows
for the three month period ended 31 March 2025**

	Notes	31 March 2025 AED'000 (<i>unaudited</i>)	31 March 2024 AED'000 (<i>unaudited</i>)
Cash flows from operating activities			
Profit before tax for the period		59,689	71,110
Adjustments for:			
Depreciation of property and equipment	3	5,764	5,328
Gain on disposal of property and equipment	3	(11)	(310)
Depreciation on investment properties	4	1,883	698
Depreciation on right of use assets	6	12,823	11,185
Amortisation of intangible assets	5	2,241	2,223
Share of profit from associates and joint ventures	7	(12,390)	(11,369)
Provision for employees' end of service benefits		5,019	2,828
Provision for slow moving inventory		405	-
(Reversal) / charge of provision for expected credit losses on trade and other receivables	11	(13,838)	1,411
Charge / (reversal) of provision for expected credit losses on due from related parties		3,520	(1,692)
Fair value gain on previously held equity interest		-	(29,917)
Loss on change in fair value of financial assets carried at fair value through profit or loss		80	6,761
Finance costs		4,521	2,377
		<hr/>	<hr/>
		69,706	60,633
Working capital adjustments:			
Decrease in inventories		12,035	11,963
Increase in development work in progress		(27,228)	(2,633)
Decrease/(increase) in trade and other receivables		2,294	(60,517)
Decrease in due from related parties		25,305	31,182
Increase/(decrease) in trade and other payables		14,158	(39,302)
Decrease in due to related parties		(48,151)	(14,278)
		<hr/>	<hr/>
Cash generated from /(used in) operations		48,119	(12,952)
Employees' end of service benefits paid		(2,725)	(1,753)
Finance costs paid		(1,520)	(1,576)
		<hr/>	<hr/>
Net cash generated from /(used in) operating activities		43,874	(16,281)
		<hr/>	<hr/>

**Interim condensed consolidated statement of cash flows
for the three month period ended 31 March 2025 (continued)**

	Notes	31 March 2025 AED'000 (unaudited)	30 March 2024 AED'000 (unaudited)
Cash flows from investing activities			
Net cash acquired in business combination		-	45,082
Cash paid for acquisition of non-controlling interest		-	(37,619)
Purchase of property and equipment	3	(26,011)	(5,700)
Purchase of intangible assets		-	(15)
Proceeds from disposal of property and equipment	3	11	629
Disposal of financial assets carried at fair value other comprehensive income	8	1,000	-
Proceeds from disposal of financial assets carried at fair value through profit or loss	8	3,961	-
Movement in restricted cash		(3,919)	(14,086)
Movement in fixed deposits with original maturity more than three months		33,223	33,673
Net cash from investing activities		8,265	21,964
Financing activities			
Principal paid on lease liabilities		(12,163)	(13,258)
Repayments of bank borrowings		(10,049)	(12,498)
Dividends paid to non-controlling interests		(9,589)	-
Capital injection by non-controlling interest		229	18,486
Net cash used in financing activities		(31,572)	(7,270)
Net increase /(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		20,567	(1,587)
Effect of foreign exchange rate changes		189,750	180,136
Cash and cash equivalents at the end of the period	12	210,325	178,544

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025****1 General information**

ESG Emirates Stallions Group PJSC (the “Company”) is a private joint stock company incorporated under the UAE Federal Law 32 of 2021. The registered office address of the Company is P.O. Box 32619, Abu Dhabi, United Arab Emirates.

These interim condensed consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries, associates and joint ventures (together referred to as the “Group”). The main activities of the Group are:

- Buying, selling, and dividing plots;
- Management services of companies and private institutions;
- Land and real estate purchase and sale;
- All kinds of building projects contracting including metal construction contracting, afforestation contracting, bridges contracting, rainwater drainage contracting, electrical and mechanical contracting, main roads, streets and other associated business;
- Interior design engineering consultancy, design services, architectural, construction and feasibility studies consultancy services;
- Real estate enterprises investment, development institution and management;
- Contracting transmission networks and distribution of water;
- Onshore and offshore oil and gas fields and facilities services;
- Landscape and gardening services;
- Wholesale of plants and trees saplings trading;
- Camps, labour accommodation management and facilities management services;
- Importing and exporting, retail sale of fodder, chemical fertilizers, fresh fruits and vegetables, natural fertilizers, reclamation materials, agricultural and veterinary pesticides, seeds, and cereal, prepared farms animal feeds ,its concentrates and supplement manufaturings and forage cultivation;
- Hospitality services including hotel accommodation and management;
- House and office furniture manufacturing;
- Manufacturing of wooden doors, windows, shutters, fire proof wooden doors and their frames;
- Private buses passengers transport service;
- Upon request employees provision services;
- Domestic workers mediation and temporary employment services;
- On Demand Labors Supply (Temporary Employment);
- Trading of decoration materials, blankets, towels, wallpapers, metal blinds carpet, pictures, painting, curtains and upholstery;
- Buildings cleaning services, water fitting maintenance, electrical fitting and fixture services and cleaning the outside interface buildings;
- Consultancy services related to administrative, marketing, economic feasibility, human resources, and logistics;
- Stone cutting, shaping and finishing, stone furniture manufacturing and construction plaster products manufacturing;
- Marketing of real estate and institutions; and
- Importing, exporting and commercial brokerage.

International Holding Company PJSC (through its subsidiary) is the Parent, and Royal Group Holding LLC is the Ultimate Parent of the Company.

These interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2025, were approved and authorised by the Board of Directors for issuance on 29 April 2025.

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)****2 Basis of preparation and critical accounting judgements****2.1 Statement of compliance**

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These interim condensed consolidated financial statements are presented in UAE Dirham (“AED”) which is the currency of the primary economic environment in which the Group operates. Each entity in the Group determines its own functional currency. All financial information presented in AED has been rounded to the nearest thousand except otherwise stated.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that have been measured at fair value.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the three months period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2.2 Application of new and revised International Financial Reporting Standards (IFRS)

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following new standards and interpretations effective as of 1 January 2025 which have not caused any material impact on the Group’s interim condensed consolidated financial statements.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these interim condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

Amendment to IAS 21 - Lack of Exchangeability

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

2 Basis of preparation and critical accounting judgements (continued)

2.2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

2.2.2 New and revised IFRS in issue but not yet effective

New and revised IFRSs in issue but not yet effective and not early adopted

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<i>Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments</i> The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.	1 January 2026
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i> The pronouncement comprises the following amendments:	1 January 2026
<ul style="list-style-type: none"> • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a ‘de facto agent’ • IAS 7: Cost method 	
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i> IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.	1 January 2027
IFRS 18 introduces new requirements to:	
<ul style="list-style-type: none"> • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements • improve aggregation and disaggregation 	
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

2 Basis of preparation and critical accounting judgements (continued)

2.2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

2.2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
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IFRS 19 Subsidiaries without Public Accountability

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and

its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its consolidated financial statements.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Effective date not yet decided by the regulator in the United Arab Emirates

1 January 2027

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

2 Basis of preparation and critical accounting judgements (continued)

2.2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

2.2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs

**Effective for
annual periods
beginning on or after**

IFRS S2 Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Effective date not yet decided by the regulator in the United Arab Emirates

The above stated new standards and amendments are not expected to have any significant impact on these interim condensed consolidated financial statements of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the interim condensed consolidated financial statements of the Group.

2.3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements for the year ended 31 December 2024.

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

2 Basis of preparation and critical accounting judgements (continued)

2.4 Basis consolidation

Details of the Company's subsidiaries are as follows:

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		March 2025	December 2024		
		100%	100%		
1	ESG Holding-Sole Proprietorship LLC	100%	100%	UAE	Management services of companies and private institutions, land and real estate purchase and sale.
2	Abu Dhabi Land General Contracting LLC	100%	100%	UAE	Technical, building construction and maintenance contracting, general contracting, and associated business.
3	Royal Architect Project Management LLC	100%	100%	UAE	Architectural engineering consultancy, construction projects management consultancy.
4	Royal Development Company LLC	100%	100%	UAE	Real estate development construction, real estate enterprise investment, development, institution and management, lease management, marketing, economic feasibility, and real estate consultancy.
5	ESG Companies Management- Sole Proprietorship LLC	100%	100%	UAE	Management services of the companies and private institutions, commercial enterprises investment, institution, and management.
6	Gulf Dunes Landscaping and Agricultural Services Company LLC	100%	100%	UAE	Landscape, gardening, agricultural pest control, disinfection and sterilization services, rain water drainage, sewerage and irrigation network, afforestation and mechanical contracting.
7	Century Real Estate Investment LLC	87%	87%	UAE	Real estate management
8	Royal Development Company d.o.o. Beogard-Vracar	100%	100%	Serbia	Hotel accommodation.
9	ESG Capital Holding LLC	100%	100%	UAE	Commercial enterprises investment, institution, and management
10	Century Village Real Estate Investment L.L.C	70%	70%	UAE	Real estate lease and management services, development construction, facilities management services. Commercial enterprises investment, institution, and management. Real Estate enterprise investment, development, institution, and management.
11	ESG Agro LLC	100%	100%	UAE	Agricultural Enterprises Investment, Institution and Management

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

2 Basis of preparation and critical accounting judgements (continued)

2.4 Basis consolidation (continued)

Nos.	Name of subsidiaries	Ownership percentage	Place of incorporation	Principal activities	
		March 2025	Decemeber 2024		
12	ESG Hospitality Sole Proprietorship LLC	100%	100%	UAE	Hospitality Services
13	Vision Furniture & Decoration Factory L.L.C	100%	100%	UAE	House and office furniture manufacturing, Fireproof wooden doors manufacturing, Onshore and offshore oil and gas fields and facilities.
14	Progressive Real Estate Development LLC -S.P.C (iv)	100%	100%	UAE	Real estate enterprise investment, development, institution and management
15	Tri Star Investment LLC	100%	100%	UAE	Commercial Brokers, Commercial enterprises investment, institution, and management
					Real estate investment, development, institution and management
16	ESG Commercial International Investments - Sole Proprietorship L.L.C.	100%	100%	UAE	Commercial Enterprises Investment, Institution and Management, Tourist Enterprises Investment, Institution and Management
17	Century human resources and logistics - L.L.C. - O.P.C	100%	100%	UAE	Human Resources Consultancy, Logistics Consultancy
18	United International Group for Manpower Services LLC - S.P.C (iv)	100%	100%	UAE	Domestic workers mediation and temporary employment services, onshore and offshore oil and gas fields and facilities services, and upon request employees provision services.
19	Howdra Employment Services LLC (ii)	100%	100%	UAE	On Demand Labors Supply Temporary Employment
20	Career Line For Employment - Sole Proprietorship LLC (ii)	100%	100%	UAE	Upon Request Employees Provision Services and Onshore and Offshore Oil and Gas Fields and Facilities Services
21	Alpha Hub Domestic Workers Services Center LLC (ii and vii) (<i>under liquidation</i>)	100%	100%	UAE	Domestic Workers Mediation Temporary Employment and Services.
22	Royal Dunes Real Estate Development LLC	51%	51%	UAE	Real Estate Development

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

2 Basis of preparation and critical accounting judgements (continued)

2.4 Basis consolidation (continued)

Nos.	Name of subsidiaries	Ownership percentage	Place of incorporation	Principal activities	
		March 2025	Decemeber 2024		
23	Afkar Financial & Property Investments LLC	60%	60%	UAE	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials, and companies representation, commercial enterprises investment institution and management, real estate enterprises investment, development, institution and management.
24	OC Home Furniture LLC (iii)	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholsteiy materials and interior decoration materials
25	2XL Home LLC (iii)	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
26	2XL Furnishings LLC - SPC (iii)	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
27	Deco Vision Company WLL	85%	85%	UAE	Interior design implementation works (decor), retail sale of wall paper, decor and partitions material and importing
28	Vision for Interior LLC Decoration Limited - One Person Company (v)	100%	100%	KSA	Decoration works and its installation.
29	Cedar Gate Industrial Company Sole Proprietorship LLC (vi)	100%	100%	KSA	Decoration works and its installation.
30	Royal Development Holding Company LLC (i)	100%	-	UAE	Management Services of Companies and Private Institutions
31	ESG Agriculture Services and Landscaping Holding LLC (i)	100%	-	UAE	Industrial Enterprises investment, Management services
32	ESG Interiors LLC (i)	100%	-	UAE	Interior design Implementation works
33	Vision Marble Industries LLC – SPC (i)	100%	-	UAE	Stones cutting, shaping and finishing, stone furniture manufacturing.
34	Royal Luxury Hotel management LLC	51%	51%	UAE	Hotel management

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

2 Basis of preparation and critical accounting judgements (continued)

2.4 Basis consolidation (continued)

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		March 2025	December 2024		
35	Sawaeed Holding PJSC	89.35%	89.35%	UAE	Management services of Companies and private institution, commercial enterprise investment, institution and management and real estate enterprises investment
36	Sawaeed Employment - Sole Proprietorship LLC (iv)	100%	100%	UAE	Providing upon request employee provision services
37	Sawaeed Investment - Sole Proprietorship LLC (iv)	100%	100%	UAE	Real estate enterprises investment development, institution and management and camps and labour accommodation management
38	Sawaeed Facilities Management - Sole Proprietorship LLC (iv and vii) (<i>under liquidation</i>)	100%	100%	UAE	Facilities management services, interior cleaning services for building and dwellings, and cleaning the outside (interface) building
39	Sawaeed Training Centre - Sole Proprietorship LLC (iv)	100%	100%	UAE	Training of construction workers
40	Takatof Employment Co. LLC (iv)	100%	100%	UAE	Providing employees services upon request (temporary employment) and labor and employment supply.
41	Sawaeed General Project — Sole Proprietorship LLC (iv)	100%	100%	UAE	Building projects contracting, project management services, building

- (i) Subsidiaries established during the period
- (ii) Subsidiaries of United International Group for Manpower Services LLC - SPC
- (iii) Subsidiaries of Afkar Financial & Property Investments LLC
- (iv) Subsidiaries of Sawaeed Holding PJSC
- (v) Subsidiary of DecoVision Company WLL
- (vi) Subsidiary of Vision Furniture and Decoration Factory LLC
- (vii) The Board has approved the liquidation of these entities.

*The Group has 49% legal ownership in Takatof Employment Co. L.L.C. Nonetheless, as per agreement signed between the shareholders, the other shareholder owning 51% of Takatof Employment LLC has assigned his full rights and obligations over the mentioned entity to Sawaeed Investments L.L.C, and is only entitled to management fee equivalent to 15% share in net profit of Takatof Employment L.L.C.

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

3 Property and equipment

During the period, additions to property and equipment amounted to AED 26,011 thousand (three months period ended 31 March 2024: AED 5,700 thousand) and depreciation charge amounted to AED 5,764 thousand (three months period ended 31 March 2024: AED 5,328 thousand).

Property and equipment acquired through business combinations amounted to AED nil (three months period ended 31 March 2024: AED 250 thousand).

During the period, property and equipment having net book value of AED nil (three months period ended 31 March 2024: AED 319 thousand) were disposed off with a gain of AED 11 thousand (three months period ended 31 March 2024: AED 310 thousand).

4 Investment properties

During the period, depreciation charge for the three month period ended 31 March 2025 amounted to AED 1,883 thousand (three month period ended 31 March 2024: AED 698 thousand).

5 Intangible assets and goodwill

During the period, amortization charge for the three month period ended 31 March 2025 amounted to AED 2,241 thousand (three month period ended 31 March 2024: AED 698 thousand).

6 Right -of-use assets

During the period, depreciation charge for the three months period ended 31 March 2025 amounted to AED 12,823 thousand (three months period ended 31 March 2024: AED 11,185 thousand). Right of use assets acquired through business combinations amounted to AED nil (three months period ended 31 March 2024: AED 7,102 thousand).

7 Investment in associates and joint ventures

Details of the Group's associates and joint ventures are as follows:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Ownership percentage</i>		<i>Place of incorporation</i>
		<i>March 2025</i>	<i>December 2024</i>	
<i>Associates</i>				
Emirates Sdeira Real Estate Investment Group LLC	Real estate lease and management services, commercial enterprises investment, Institution and Management	23.91%	23.91%	UAE
<i>Joint ventures</i>				
Lazio Real Estate Investment LLC ("Lazio") (i)	Real estate enterprise, investment, development, institution, and management	65%	65%	UAE
Deyafah Holding Limited (ii)	SPC Special Purpose Vehicle	50%	50%	UAE

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

7 Investment in associates and joint ventures (continued)

- (i) In 2018, the Directors of Lazio Real Estate Investment LLC had elected to liquidate the company. As of 31 March 2025, the liquidation process is still on going.
- (ii) The investment has been fully impaired, and no unrecognized share of losses has been recorded, as the entity is non-operational.

Movement in investment in associates and joint ventures was as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period / year	1,204,224	1,223,777
Share of the Group's profit for the period / year	12,390	36,838
Share of other comprehensive loss for the period / year	(1,671)	(1,476)
Dividend received during the period / year	-	(15,778)
Transfer to subsidiary during the period / year	-	(39,137)
 At the end of the period / year	 1,214,943	 1,204,224

Summarised financial information in respect of Emirates Sdeira Real Estate Investment Group LLC is set out below:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Total assets	5,685,225	5,637,218
Total liabilities	(1,083,567)	(1,118,420)
 Net assets	 4,601,658	 4,518,798
 Group's carrying amount of the investments, net	 1,214,943	 1,204,224

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

7 Investment in associates and joint ventures (continued)

	31 March 2025 AED'000 (unaudited)	31 March 2024 AED'000 (unaudited)
Total revenue for the period	166,426	127,463
<hr/>	<hr/>	<hr/>
Total profit for the period	51,818	47,459
<hr/>	<hr/>	<hr/>
Group's share in profit for the period	12,390	11,369
<hr/>	<hr/>	<hr/>
Total other comprehensive (loss) / gain for the period	(6,989)	4,743
<hr/>	<hr/>	<hr/>
Group's share of OCI for the period	(1,671)	1,134
<hr/>	<hr/>	<hr/>

8 Investment in financial assets

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Investments carried at fair value through other comprehensive income	374	1,395
Investments carried at fair value through profit or loss	739	4,780
<hr/>	<hr/>	<hr/>
	1,113	6,175
<hr/>	<hr/>	<hr/>

8.1 Financial assets at fair value through other comprehensive income

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Quoted	-	1,021
Unquoted	374	374
<hr/>	<hr/>	<hr/>
	374	1,395
<hr/>	<hr/>	<hr/>

Fair values of the quoted investments are determined by reference to published price quotations in an active market. The fair value measurement has been categorised as a level 1 and level 3 fair value respectively.

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

8 Investment in financial assets (continued)

8.1 Financial assets at fair value through other comprehensive income (continued)

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the management of the Group have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Movement in investments at FVTOCI are as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period / year	1,395	62,604
Acquired in business combinations	-	42,089
Disposal during the period / year	(1,000)	(49,863)
Transferred to investment in subsidiary during the period / year	-	(55,827)
Net fair value (loss) gain on investments at FVTOCI during the period / year	(21)	2,392
	<hr/>	<hr/>
	374	1,395
	<hr/>	<hr/>
Dividend received during the period / year	-	271
	<hr/>	<hr/>

8.2 Financial assets at fair value through profit or loss

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period / year	4,780	45,864
Acquired during the period / year	-	2,327
Changes in fair value during the period / year	(80)	(11,253)
Disposals during the period / year	(3,961)	(32,158)
	<hr/>	<hr/>
	739	4,780
	<hr/>	<hr/>
Dividend received during the period / year	-	119
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

9 Inventories

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Household furniture	96,047	104,344
Raw material and supplies	992	1,051
Spares and consumables	181	168
Work in progress	11	11
Goods in transit	-	3,692
Less: provision for slow moving inventories	(8,277)	(7,872)
	<hr/>	<hr/>
	88,954	101,394
	<hr/>	<hr/>

Movement in the provision for slow moving inventories is as follow:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
At 1 January	7,872	6,600
Charge for the period / year	405	1,272
	<hr/>	<hr/>
At the end of the period / year	8,277	7,872
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

10 Related parties

Related parties represent associated companies, shareholders, and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Amounts due from related parties included in the interim condensed consolidated statement of financial position are as follows:

	31 March 2025 AED' 000 (unaudited)	31 December 2024 AED' 000 (audited)
Amounts due from related parties:		
<i>Non-current</i>		
Other related entities	950	950
Amounts due from related parties:		
<i>Current</i>		
Entities under common control	120,946	139,626
Other related entities	60,465	70,879
Parent entity	12,618	12,618
Ultimate parent	2,138	2,830
	196,167	225,953
Less: provision for expected credit losses	(37,596)	(38,557)
	158,571	187,396
Amounts due to related parties:		
<i>Non-current</i>		
Entity under common control	54,375	54,198
Ultimate parent	2,520	2,520
	56,895	56,718
Amounts due to related parties:		
<i>Current</i>		
Entity under common control	53,468	99,523
Other related entities	6,474	9,943
Parent entity	820	750
Ultimate parent	453	453
	61,215	110,669

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

10 Related parties (continued)

Other balances with related parties disclosed in the interim condensed consolidated statement of financial position:

	31 March 2025 AED' 000 (unaudited)	31 December 2024 AED' 000 (audited)
Financial assets carried at fair value through profit or loss	190	216
	<hr/>	<hr/>
Financial assets carried at fair value through other comprehensive income	374	1,395
	<hr/>	<hr/>
Balances with a financial institution	326,379	308,975
	<hr/>	<hr/>
Bank borrowings with a financial institution	5,092	10,740
	<hr/>	<hr/>

During the period, the Group entered into the following transactions with the related parties:

	31 March 2025 AED' 000 (unaudited)	31 March 2024 AED' 000 (unaudited)
Revenue	115,625	56,675
	<hr/>	<hr/>
Cost of revenue and expenses	1,869	780
	<hr/>	<hr/>
Interest income on deposits with financial institution	964	3,828
	<hr/>	<hr/>
Finance cost on bank borrowings with financial institution	167	480
	<hr/>	<hr/>
Key management compensation		
Salaries and other benefits	922	805
	<hr/>	<hr/>
Number of key management personnel	2	2
	<hr/>	<hr/>
Board of Director's remuneration	645	-
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

11 Trade and other receivables

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade receivables	483,005	507,315
Less: provision for expected credit losses	(197,837)	(212,503)
	<hr/>	<hr/>
	285,168	294,812
Retention receivables, net	44,330	48,206
Contract assets from customers, net	166,451	127,986
Advances to suppliers, net	76,178	76,041
Prepaid expenses and other receivables	98,869	112,407
	<hr/>	<hr/>
	670,996	659,452
	<hr/>	<hr/>

Trade and other receivables are disclosed in the interim condensed consolidated statement of financial position as:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Non-current	30,075	30,075
Current	640,921	629,377
	<hr/>	<hr/>
	670,996	659,452
	<hr/>	<hr/>

Provision for expected credit losses

Movement in the provision for expected credit losses of trade receivables, retention receivables, advances to suppliers and contract assets is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
At 1 January	236,460	91,636
Reversal for the period / year, net *	(17,651)	(981)
Acquired in business combinations	-	151,011
Transfers	-	(1,838)
Written off during the period / year	(3,753)	(3,368)
	<hr/>	<hr/>
At the end of the period / year	215,056	236,460
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

11 Trade and other receivables (continued)

Provision for expected credit losses (continued)

* This includes AED 3,813 thousand collected from impaired receivables (beneficially owned by previous shareholders of one of the subsidiaries of the Group). The amounts collected are paid or payable to the previous shareholders in terms of the relevant agreement.

	1 January AED'000	(Reversal of) Additional provisions AED'000	Write off during the period/year AED'000	Reclassification AED'000	Acquired through business combinations AED'000	At reporting date AED'000
At 31 March 2025 (unaudited)						
Trade receivables	212,503	(14,666)	-	-	-	197,837
Contract assets	19,961	(1,525)	(3,753)	-	-	14,683
Retention receivables	3,104	(1,460)	-	-	-	1,644
Advances to suppliers	892	-	-	-	-	892
Total	236,460	(17,651)	(3,753)	-	-	215,056
 At 31 December 2024 (audited)						
Trade receivables	85,701	(495)	(3,368)	(1,838)	132,503	212,503
Contract assets	5,541	4,880	-	-	9,540	19,961
Retention receivables	1	(5,172)	-	-	8,275	3,104
Advances to suppliers	393	(194)	-	-	693	892
Total	91,636	(981)	(3,368)	(1,838)	151,011	236,460

Contract assets

Details of contract assets of AED 166,451 thousand (31 December 2024: AED 127,986 thousand) are as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Contract assets	181,134	147,947
Less: provision for expected credit losses	(14,683)	(19,961)
	166,451	127,986

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

11 Trade and other receivables (continued)

Contract assets

Details of contract assets of AED 166,451 thousand (31 December 2024: AED 127,986 thousand) are as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Contracts costs incurred plus recognised profits less recognised losses to date	1,464,787	1,502,813
Progress billings to date	(1,338,725)	(1,423,772)
	<hr/>	<hr/>
	126,062	79,041
	<hr/>	<hr/>

The contract work in progress is presented as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Contracts assets, net	166,451	127,986
Billing in excess of value of work in progress (contract liabilities)	(40,389)	(48,945)
	<hr/>	<hr/>
	126,062	79,041
	<hr/>	<hr/>

12 Cash and bank balance

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Cash on hand	1,435	806
Bank balances	287,943	247,496
Margin deposits	9,598	10,201
Term deposits*	160,663	209,865
	<hr/>	<hr/>
Less: provision for expected credit losses	459,639	468,368
	(50)	(50)
	<hr/>	<hr/>
Less: restricted cash**	459,589	468,318
Less: term deposits with original maturity of more than three months	(92,846)	(88,927)
	(156,418)	(189,641)
	<hr/>	<hr/>
Cash and cash equivalents	210,325	189,750
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

12 Cash and bank balance (continued)

*The term deposits' carry interest rate that ranges between 0.05% to 6% (31 December 2024: 0.05% to 6%) per annum. These deposits are held in a local bank and are denominated in UAE Dirhams, and these deposits have original maturity between 1 to 12 months.

**Restricted cash represents funds received in advance against sale of properties in the Dubai Hills project.

13 Bank borrowings

Bank borrowings comprise of the following:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Term loans	40,092	50,115
Vehicle loans	-	26
	<hr/>	<hr/>
At the end of the period / year	40,092	50,141
	<hr/>	<hr/>

Movement in bank borrowings during the period / year is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
At 1 January	50,141	81,840
Repayments during the period / year	(10,049)	(31,699)
	<hr/>	<hr/>
At the end of the period / year	40,092	50,141
	<hr/>	<hr/>

Analysed in the interim condensed consolidated statement of financial position as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Current liabilities	22,592	28,266
Non-current liabilities	17,500	21,875
	<hr/>	<hr/>
At the end of the period / year	40,092	50,141
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

13 Bank borrowings (continued)

				31 March 2025	31 December 2024	
		Interest rates	Maturity	AED'000 (unaudited)	AED'000 (audited)	Purpose
Term loan - 1	Secured	2% + EIBOR	6M September 2025	5,092	10,740	To finance the construction of commercial centers
Term loan - 2	Secured	2% + EIBOR	6M February 2027	35,000	39,375	To finance the construction of warehouse
				<hr/> 40,092	<hr/> 50,115	
Other vehicle loans	Secured	3.00%- 5.51%	2024- 2027	-	26	To finance the purchase of vehicles
				<hr/> 40,092	<hr/> 50,141	

Term loan 1

The facility is secured by corporate guarantees of related parties, mortgage over certain investment properties, assignment of contractor's all risk insurance policy of mortgaged properties in favour of the bank, assignment of rental proceeds, generated from the mortgaged properties in favour of the bank. The loan is repayable in half year instalments.

Term loan 2

The facility is subject to certain restrictive covenants. The facility is secured by mortgage over property, assignment of contractor's all risk insurance policy of mortgaged properties in favour of the bank, agreement of pledge and hypothecation of inventories and movables over stocks, deed of assignment of receivables, undated security cheque drawn on Bank covering the total facility in favour of the bank. The loan is repayable in quarterly instalments.

14 Trade and other payables

	31 March 2025	31 December 2024
	AED'000 (unaudited)	AED'000 (audited)
Trade payables	84,018	114,014
Accrued expenses	148,139	147,713
Advances from customers	196,655	175,098
Retention payables	44,776	37,369
Contract liabilities	40,389	48,945
Provisions, deposits and other payables	177,219	153,899
	<hr/> 691,196	<hr/> 677,038

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

14 Trade and other payables (continued)

Trade and other payables are disclosed in the interim condensed consolidated statement of financial position as:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Non-current	2,717	2,792
Current	688,479	674,246
	<hr/>	<hr/>
	691,196	677,038
	<hr/>	<hr/>

15 Revenue

	31 March 2025 AED'000 (unaudited)	31 March 2024 AED'000 (unaudited)
Type of revenue		
Furniture manufacturing and retail revenues and interior fit out	165,817	200,327
Landscaping, agriculture and maintenance revenue	59,017	35,894
Business process and manpower outsourcing	74,352	29,736
Contracting and consultancy revenue	26,772	37,275
Staff accommodation	6,669	-
Labour camp management and other related revenue	53	73
	<hr/>	<hr/>
	332,680	303,305
	<hr/>	<hr/>
Timing of revenue recognition		
Services transferred over the period of time	109,619	153,298
Services transferred at point of time	223,061	150,007
	<hr/>	<hr/>
	332,680	303,305
	<hr/>	<hr/>
Geographical markets		
Revenue generated within UAE	326,622	292,663
Revenue generated outside UAE	6,058	10,642
	<hr/>	<hr/>
	332,680	303,305
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

16 Direct costs

	31 March 2025 AED'000 <i>(unaudited)</i>	31 March 2024 AED'000 <i>(unaudited)</i>
Staff costs	97,173	40,278
Direct materials	56,589	49,287
Subcontracting and maintenance costs	57,607	103,401
Depreciation	5,756	4,636
Others	16,460	15,892
	<hr/>	<hr/>
	233,585	213,494
	<hr/>	<hr/>

17 Segment analysis

For operating purposes, the Group is organised into business segments based on its products and services as follows:

Contracting and consultancy	includes the real estate development construction and technical consultancy and design services.
Landscaping, agriculture and maintenance	includes landscaping design, execution and maintenance.
Business process / manpower	includes providing services with respect to human service.
Outsourcing and labour supply	cadres, human resources and administrative consultancy, mediation of domestic workers and temporary employment services.
Staff accommodation	includes real estate enterprise development, training institution management, camps and labour accommodation management.
Furniture manufacturing, Retail and interior fit out	includes retail trading of household, office furniture and interior decoration material.
Others (unallocated)	includes Company's expenses and income not allocated to any segment.

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

17 Segment analysis (continued)

	<i>Contracting and consultancy</i> 31 March 2025 AED'000 (unaudited)	<i>Landscaping, agriculture and maintenance</i> 31 March 2025 AED'000 (unaudited)	<i>Business process / manpower outsourcing</i> 31 March 2025 AED'000 (unaudited)	<i>Furniture manufacturing, retails and interior fit out</i> 31 March 2025 AED'000 (unaudited)	<i>Staff accommodation</i> 31 March 2025 AED'000 (unaudited)	<i>Others / unallocated</i> 31 March 2025 AED'000 (unaudited)	<i>Total segments</i> 31 March 2025 AED'000 (unaudited)	<i>Elimination</i> 31 March 2025 AED'000 (unaudited)	<i>Consolidated</i> 31 March 2025 AED'000 (unaudited)
Revenue									
External customers	26,772	59,017	74,352	165,817	6,669	53	332,680	-	332,680
Inter-Segment	<u>1,645</u>	<u>4,629</u>	<u>32,772</u>	<u>5,711</u>	<u>-</u>	<u>-</u>	<u>44,757</u>	<u>(44,757)</u>	<u>-</u>
Total	<u>28,417</u>	<u>63,646</u>	<u>107,124</u>	<u>171,528</u>	<u>6,669</u>	<u>53</u>	<u>377,437</u>	<u>(44,757)</u>	<u>332,680</u>
Less: Expenses									
Direct costs	(17,346)	(51,530)	(84,379)	(113,790)	(4,900)	(154)	(272,099)	38,514	(233,585)
General and administrative expenses	(2,954)	(4,463)	(4,003)	(8,000)	(525)	(9,050)	(28,995)	5,817	(23,178)
Selling and distribution expenses	-	-	-	(30,156)	-	-	(30,156)	-	(30,156)
Loss from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	(158)	-	78	(80)	-	(80)
Share of profit from investment in associate and joint ventures	-	-	-	-	-	12,390	12,390	-	12,390
Other income	5,117	371	548	3,567	210	78,563	88,376	(82,237)	6,139
Finance costs	<u>(193)</u>	<u>(163)</u>	<u>(77)</u>	<u>(2,639)</u>	<u>(322)</u>	<u>(1,127)</u>	<u>(4,521)</u>	<u>-</u>	<u>(4,521)</u>
Profit before tax	13,041	7,861	19,213	20,352	1,132	80,753	142,352	(82,663)	59,689
Corporate income tax	<u>(1,518)</u>	<u>(1,179)</u>	<u>(1,208)</u>	<u>(2,823)</u>	<u>-</u>	<u>77</u>	<u>(6,651)</u>	<u>-</u>	<u>(6,651)</u>
Profit after tax	<u>11,523</u>	<u>6,682</u>	<u>18,005</u>	<u>17,529</u>	<u>1,132</u>	<u>80,830</u>	<u>135,701</u>	<u>(82,663)</u>	<u>53,038</u>
Total assets	<u>204,520</u>	<u>366,487</u>	<u>392,245</u>	<u>961,200</u>	<u>1,362,254</u>	<u>2,116,928</u>	<u>5,403,634</u>	<u>(1,724,857)</u>	<u>3,678,777</u>
Total liabilities	<u>146,285</u>	<u>217,837</u>	<u>174,625</u>	<u>478,076</u>	<u>32,622</u>	<u>1,142,004</u>	<u>2,191,449</u>	<u>(1,057,509)</u>	<u>1,133,940</u>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

17 Segment analysis (continued)

	<i>Contracting and consultancy</i> <i>31 March 2024</i> <i>AED'000 (unaudited)</i>	<i>Landscaping and maintenance</i> <i>31 March 2024</i> <i>AED'000 (unaudited)</i>	<i>Business process / manpower outsourcing</i> <i>31 March 2024</i> <i>AED'000 (unaudited)</i>	<i>Furniture manufacturing and retails</i> <i>31 March 2024</i> <i>AED'000 (unaudited)</i>	<i>Staff accommodation</i> <i>31 March 2024</i> <i>AED'000 (unaudited)</i>	<i>Others / unallocated</i> <i>31 March 2024</i> <i>AED'000 (unaudited)</i>	<i>Total segments</i> <i>31 March 2024</i> <i>AED'000 (unaudited)</i>	<i>Elimination</i> <i>31 March 2024</i> <i>AED'000 (unaudited)</i>	<i>Consolidated</i> <i>31 March 2024</i> <i>AED'000 (unaudited)</i>
Revenue									
External customers	37,275	35,894	29,736	200,327	-	73	303,305	-	303,305
Inter-Segment	<u>6,445</u>	<u>66</u>	<u>4,327</u>	<u>289</u>	<u>30</u>	<u>-</u>	<u>11,157</u>	<u>(11,157)</u>	<u>-</u>
Total	43,720	35,960	34,063	200,616	30	73	314,462	(11,157)	303,305
Less: Expenses									
Direct costs	(34,237)	(19,150)	(27,050)	(136,321)	(41)	(66)	(216,865)	3,371	(213,494)
General and administrative expenses	(1,662)	(4,975)	(2,770)	(15,596)	(112)	(3,769)	(28,884)	3,441	(25,443)
Selling and distribution expenses	-	-	-	(32,478)	-	-	(32,478)	-	(32,478)
Share of profit from investment in associates and joint ventures	-	-	-	-	-	11,369	11,369	-	11,369
Other income	473	405	326	3,393	-	4,284	8,881	(1,809)	7,072
Loss from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	(221)	-	(6,540)	(6,761)	-	(6,761)
Fair value of previously held equity interest	-	-	-	-	-	29,917	29,917	-	29,917
Finance costs	(19)	<u>(141)</u>	<u>(108)</u>	<u>(2,000)</u>	<u>(2)</u>	<u>(107)</u>	<u>(2,377)</u>	<u>-</u>	<u>(2,377)</u>
Profit before tax for the period	8,275	12,099	4,461	17,393	(125)	35,161	77,264	(6,154)	71,110
Corporate income tax	<u>(808)</u>	<u>(1,089)</u>	<u>(416)</u>	<u>(1,657)</u>	<u>-</u>	<u>1,427</u>	<u>(2,543)</u>	<u>-</u>	<u>(2,543)</u>
Profit for the period	<u>7,467</u>	<u>11,010</u>	<u>4,045</u>	<u>15,736</u>	<u>(125)</u>	<u>36,588</u>	<u>74,721</u>	<u>(6,154)</u>	<u>68,567</u>
Total assets 31 December 2024	<u>190,060</u>	<u>361,709</u>	<u>458,018</u>	<u>974,339</u>	<u>1,349,252</u>	<u>1,974,326</u>	<u>5,307,704</u>	<u>(1,624,427)</u>	<u>3,683,277</u>
Total liabilities 31 December 2024	<u>143,349</u>	<u>221,909</u>	<u>168,496</u>	<u>509,604</u>	<u>30,968</u>	<u>1,063,717</u>	<u>2,138,043</u>	<u>(957,521)</u>	<u>1,180,522</u>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

18 Income tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new Corporate Tax (CT) regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. The taxable income of the entities that are in scope for UAE CT purposes are subject to the rate of 9% corporate tax.

Recently, in order to align with OECD’s Global Minimum Tax effort (Pillar Two), the UAE Ministry of Finance (MoF) has introduced a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st January 2025. ESG Emirates Stallions Group PJSC and its subsidiaries are constituent entities within an MNE group in scope of Pillar Two.

Furthermore, for the period ended 31 March 2025, the Group has applied the IASB amendment to IAS 12, Income Taxes, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

The Group estimates the following current tax expense and top-up taxes related to Pillar Two for the three month period ended 31 March 2025:

The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	31 March 2025 AED'000 (<i>unaudited</i>)	31 March 2024 AED'000 (<i>unaudited</i>)
Income tax charge – current	(4,121)	(3,726)
Pillar two taxes – UAE	(2,404)	-
Income tax charge – prior year	1,996	-
Deferred tax, net	(2,122)	1,183
<hr/>		
Income tax expense recognized in the interim condensed consolidated statement of profit or loss	(6,651)	(2,543)
<hr/>		

The Effective Tax Rate (ETR) for the period ending 31 March 2025 is 11.14%. The rise in the ETR compared to last year is due to the introduction of DMTT in the UAE.

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

18 Income tax (continued)

Income tax payable

The movement in the income tax payable account is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period / year	(21,736)	-
Tax expense – current period / year	(4,121)	(21,520)
Pillar two taxes – UAE	(2,404)	-
Tax expense – prior year	1,996	-
Tax expense – other comprehensive income	2	(216)
At end of period / year	<hr/> (26,263)	<hr/> (21,736)
	<hr/> <hr/>	<hr/> <hr/>

Deferred tax

Deferred tax liability presented in the interim condensed consolidated statement of financial position is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Deferred tax assets	2,158	4,480
Deferred tax liabilities	(2,599)	(2,798)
Deferred tax (liabilities) assets , net	<hr/> (441)	<hr/> 1,682
	<hr/> <hr/>	<hr/> <hr/>

Tax related to items recognised in OCI during the year:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Change in fair value of financial assets carried at fair value through other comprehensive income – current tax	2	(216)
Change in fair value of financial assets carried at fair value through other comprehensive income – deferred tax	-	(4)
Tax credit (charge) to OCI	<hr/> 2	<hr/> (220)
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim condensed consolidated financial statements
for the three month period ended 31 March 2025 (continued)**

19 Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributed to the equity holders of the parent by the weighted average number of shares in issue throughout the year.

Diluted earnings per share is calculated by dividing the profit for the year attributed to the equity holders of the parent by the weighted average number of shares in issue throughout the period, adjusted for the effects of dilutive instruments.

	31 March 2025 AED'000 (unaudited)	31 March 2024 AED'000 (unaudited)
Profit for the year attributable to equity holders of the parent (AED'000)	48,485	65,085
Weighted average number of ordinary shares ('000)	250,000	250,000
Basic earnings per share for the period (AED)	0.19	0.26

Diluted earnings per share as of 31 March 2025 and 31 March 2024 are equivalent to basic earnings per share.

20 Contingent liabilities and commitments

	31 March 2025 AED' 000 (unaudited)	31 December 2024 AED' 000 (audited)
Letters of guarantee	177,515	160,262
Capital commitments	123,330	143,433

Bank guarantees and letter of credit are issued in the normal course of business.

The Group in the normal course of business is involved from time to time in litigations and claims from third parties. The Group undertakes periodic review of its potential exposure to litigations and claims made against it. The Group believes that no material liability will result from those litigations and claims that requires to be accrued for as of 31 March 2025.

21 Seasonality of results

The nature of Group's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality. These interim condensed consolidated financial statements were prepared based upon accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.